

16 July 1953

MEMORANDUM FOR: Colonel White

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1. A meeting was held 15 July 1953 in the Office of the Chief of Logistics. It was attended by Messrs. [redacted] of the Office of the COA/DDP, [redacted] of the SE Division, Messrs. [redacted] of the Office of the Comptroller, Messrs. Garrison, [redacted] of the Logistics Office, and myself to discuss the maintaining of accurate costs for ~~the~~ projects.

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2. A tentative agreement on the following basis was arrived at:

a. The line divisions to maintain a record of the amounts requisitioned against each project, so that at all times the approximate balance in the project would be known.

b. The Logistics Office to furnish the line divisions an estimated price list of major items which could be used to estimate the requisitions and enter the costs against each project.

c. The Logistics Office each month to furnish the divisions the actual cost of items issued against requisitions. This list to be coded to indicate projects.

d. The line divisions to correct the project records by the difference between the estimated cost previously entered and the actual cost.

e. Transportation costs to be entered on an estimated basis, pending determination as to whether or not shipping documents should be sent to the line divisions for entering of correct transportation charges.

3. The DD/P complex representatives accepted the policy that they should know the status of each project at all times. They advised, however, that personnel to perform this function were not available and that they would look into the problem to determine what additional personnel would be necessary to handle this function. Apparently, no consideration was given to personnel ceilings, and it appeared that the feeling was that, if extra people could be justified as necessary to the operation, they could be obtained.

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4. I am not happy over the result of the meeting for the following reasons:

a. It places administrative functions in the hands of operation personnel, which is a step backward and not consistent with the Agency policy of centralized administration.

b. It will require additional personnel to operate, whether recruited or obtained from within the Agency.

c. It does not give Logistics any way of knowing whether or not the material for a particular project is in excess of requirements.

d. It does not provide control for issues by item against estimated requirements. This could result in Logistics being unable to fill a requisition for an item which was a requirements submitted by the line divisions.

e. It is a cumbersome and inefficient way of performing the job that would result in duplication and tend toward a perfection which is not practical.

f. It is my opinion that the Logistics Office should keep the record of project charges, render a regular statement to the Area Divisions and, if the Area Divisions requisition in excess of the dollar amount left in the project, such requisition would be returned to the Area Division. This, of course, would not be perfection and would not tell the Division at all times where they stand, but would give a close enough approximation to answer all practical purposes.

g. The Coordination Requirements Staff, Logistics Office, advised me that, if Logistics is given a breakdown of requirements by projects, a system could be readily set up with IBM cards and machines which would give the necessary records and control of charges against projects.

h. A function of this type is too big to be settled in discussions of high level people lasting a few hours. It does not give them a chance to thoroughly review and analyze proposals. It is suggested that O&M be asked to look into this situation and to come up with a logical and simple procedure for the handling of it.

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cc: ✓DD/A Chrono